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O 121433Z FEB 08
FM AMEMBASSY MOSCOW
TO RUEHC/SECSTATE WASHDC IMMEDIATE 6528
INFO RUCNCIS/CIS COLLECTIVE PRIORITY
RUEHXD/MOSCOW POLITICAL COLLECTIVE PRIORITY

C O N F I D E N T I A L MOSCOW 000374

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E.O. 12958: DECL: 02/12/2018
TAGS: [PGOV](#) [PINR](#) [KDEM](#) [ECON](#) [SOCI](#) [RS](#)
SUBJECT: SOCHI REGION FACES OLYMPIC-SIZED CHALLENGES

REF: A. MOSCOW 178
[1](#)B. 07 MOSCOW 003316

Classified By: POL Minister Counselor Alice G. Wells. Reasons: 1.4 (B)
& (D).

Summary

[1](#)1. (SBU) A meeting of Putin and his team on February 5 underscored the Kremlin's recognition that the "eyes of the world" are on Sochi, not only for the 2014 Winter Olympic Games themselves, but also in the way in which Russia manages the preparations. In addition to overcoming significant engineering, ecological, and economic challenges, Russian authorities face problems in managing relations with a wary populace, including national minorities whose interests historically have been ignored by the bureaucracy. Our preliminary assessment is that Moscow is putting pressure on local officials to make those problems "go away" by providing adequate compensation to homeowners on one hand and increasing pressure on the more vocal members of the national minorities on the other. However, efforts by the local authorities to date seem far from effective, provoking criticism and leaving the local mayor politically vulnerable.
End Summary.

A Stumbling Local Administration

[1](#)2. (SBU) During a February 6-8 visit to Sochi EUR/RUS and Emboff met officials from the Mayor's office and representatives of local citizens' groups to discuss state of preparations for the 2014 Winter Olympics. Sochi's Soviet heritage is preserved by two hulking Brezhnevian hotels, which are surrounded by a building boom on every horizon. Politically, Sochi has long been a special case, separated by the Caucasus mountains from the Kuban farmland that comprises the bulk of Krasnodar Krai. In recent years, Krasnodar has taken greater interest in the city and, according to local commentators, Governor Aleksandr Tkachyov has placed "his man," Viktor Kolodyazny, in the Mayor's office.

[1](#)3. (C) In a televised interview with us, First Deputy Mayor Konstantin Mishchenko personified a public face of confidence, suggesting that all was "in order" and that Olympic preparations were moving forward according to plan. At the same time, he made clear that decision making on most issues will be handled in Moscow, not locally. Privately, Oleg Voyenko of the Mayor's office provided a different picture. During a brief chat, he admitted that the state company Olimpstroï, which will be the contractor for the entire project, had yet to work out its procedures for tendering projects. He reported that the Kremlin has engaged Russia's top architectural institutes in Moscow and St. Petersburg to provide a crash review of the city's proposed scheme for the Olympics and to develop a new planning

process, which the government will roll out early this summer. Press reports on Putin's Sochi meetings earlier in the week described continued tweaking to the general plan for the Olympic structures, changes to which (may) require the approval of the International Olympic Committee.

14. (C) Several local commentators raised doubts that the local administration is up to the task of dealing with those challenges. Valeriy Suchkov, a local lawyer, activist for the rights of homeowners in Sochi, and expert adviser to the city's Public Chamber, said that the public had its fill of Kolodyazniy and was likely to vote him out of office in elections next year. Indeed, Suchkov expects Moscow to put a more "trusted" political figure into the Mayor's office with closer ties to the Kremlin elite. (He voiced doubt that a local candidate could be picked because it would upset the power balance among local business clans.) Local press coverage of our meeting with Mischenko had a satirical tenor that showed the city administration as not being forthcoming about the issues of the day.

Property Rights - Some Progress

15. (C) Confusion and a lack of trust in the local government gave rise to public protests last fall about the process of purchasing privately-held property for the Olympic projects. According to Irina Gordyenko, a journalist for Novaya Gazeta and a Sochi native, previous corrupt practices related to the construction of commercial and resort complexes have undermined faith in the local administration. Two cases earlier this year further deepened popular concern about property rights. First, the local press made much about the eviction of Abkhaz refugees from their homes in an area in which the Olympic village will be built. (It later turned out that the refugees were living in a condemned building for which they held no legal title and were relocated to other parts of Krasnodar Krai.) Second, a fire in the local archive meant that records documenting property ownership were "lost," with local bureaucrats refusing to accept alternative documentation as adequate proof of ownership. Those concerns fueled public demonstrations last fall, as residents called for a transparent and equitable system for registering private property.

16. (C) Suchkov told us that the local administration mismanaged its response to the public protests and even launched an aggressive, but ultimately failed court case against him. However, in recent months, the local administration's tone has changed, in part because of pressure from the Governor and even federal officials. First, the Governor removed 20 city officials from their positions for "corruption" and misuse of office. Next, the government has established new procedures for registering property claims that Suchkov says have gone far in mollifying the population's most serious concerns. Residents are cautiously optimistic, but are planning further demonstrations to keep pressure on local officials, according to Suchkov. Public comments by Minister of Regional Development Dmitriy Kozak on the expected costs for compensating property owners suggest that Moscow is planning to pay an equitable price (ranging from \$3-10 billion for an expected 1,700 acres of privately-held land).

Potential Issues with National Minorities

17. (C) The administration has been less successful in meeting the expectations of the area's national minorities. Local activist Ravza Ramazanova claims that regional officials have stonewalled on plans to build a mosque to address the spiritual needs of what she claims are 20,000 Muslims in the area (including 5,000 of her Tatar brethren). She complained that the Krasnodar Krai administration did not provide the same funding that other regions offered to support Muslim religious holidays and the building of mosques and schools. Ramazanova argued that the lack of a mosque and a Muslim

cemetery was a disincentive for Muslims to move to Sochi. Ramazanova suggested that without proper religious training, Muslim youth were losing their identity and getting involved in "dangerous" activities. Ramazanova said her organization "Yasin" had been petitioning for a mosque for 14 years and she claimed that she enjoyed the support of Tatarstan President Shaymiev, Russian Head Mufti Gaynutdin, and other top Muslim leaders in Moscow. Press reports suggest that Ramazanova's wishes may be fulfilled with the building of a mosque near the Olympic village outside Sochi -- although she dismissed such news as familiar unfulfilled promises to the local Muslim population.

18. (C) Murat Berzegov of the Circassian Congress told us that he had been persecuted for his political ideas, particularly his efforts to achieve greater autonomy and respect for his people's language and local traditions through "legal" methods. Though the federal government had acknowledged the Circassians as a protected national minority 8 years ago, the regional authorities had refused to follow suit, leading to what Berzegov described as further popular frustration. Instead of opening dialogue with the Congress, which had lobbied its case through the European Parliament in conjunction with diaspora groups in Turkey, Syria, and the United States, Berzegov plausibly alleged that the authorities have sought to intimidate him through beatings, threats by FSB "veterans," and administrative penalties. Ultimately, official pressure has forced him to abandon his business and his case for asylum in the U.S. is under consideration. Berzegov warned that government persecution of "moderate nationalists" in the region has led to further Islamization of Adygean youth, as seen by the formation of Jamiat organizations in Maykop. He bemoaned the authorities' unwillingness to acknowledge what he called the "genocide" of ethnic Circassians by the Imperial Russian army in 1846 after the Russo-Turkic War. (Berzegov claims the victims were buried in graves near the site of the planned Sochi Olympic mountain sports complex on Krasnaya Polyana.) He lamented the slow erosion of autonomy for the Adygean Republic, as indicated by the withdrawal of federal ministries from the regional capital Maykop, was fueling discontent among the Circassian population. He voiced concern that the republic would be subsumed into Krasnodar Krai after the 2014 Olympics.

Comment

19. (C) The situation in Sochi speaks to two broader trends within Russian society: First, economic issues -- in this case property rights -- continue to resonate among the population writ large, far more so than purely "political" issues such as freedom of speech, press, and assembly. That said, the success of organized public protest against suspected government malfeasance make clear the benefits of collective action and could encourage the creations of political organizations to protect citizen's rights.

10. (C) Second, the treatment of Ramazanova and Berzegov illustrate the government's difficulty in resolving issues of national and religious identity, particularly in the North Caucasus. It is difficult to ascertain to what extent Ramazanova and Berzegov speak for the larger communities they claim to represent, since their respective groups are small (about 10-15 permanent members). Berzegov's case does, however, indicate that government authorities are unwilling to allow him to pursue his political agenda unhindered, suggesting at a minimum concern among the elite about potential embarrassment by his activities -- a sensitivity that will only increase as the Olympic events approach.

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